

## **Using Special Account Funds for Site Laboratory Analysis Support Funded by OSRTI Summary of Previous Pilots and Proposal for FY 2014**

### **Background:**

- OSRTI's Analytical Services Branch (ASB) provides analytical services through the Contract Laboratory Program (CLP) and the Environmental Services Assistance Team (ESAT) for all EPA regions requesting inorganic and organic analyses.
- The CLP is a national program, and regions need only place a request through the program to obtain analytical services. The CLP program provides a cost efficient framework to provide analytical services by bulk funding multiple contracts with laboratories across the nation.
- The ESAT expands EPA's existing capabilities for providing hazardous waste sample analysis and related support to Superfund sites by performing chemical and biological analysis, Field Analytical Support Program activities, specialized analytical services support and data validation/data review support, review of site-specific quality assurance, and site investigation and sampling plans support for the development of new analytical methods.
- CLP and ESAT are funded from OSRTI's ASB branch rather than each region. The goal of ASB is to reduce analytical services costs by leveraging laboratory and management contract vehicles to achieve economies of scale while providing quality and timely services.
- However, this model does not lend itself to efficiencies when using site-specific funds such as special accounts to procure analytical services.
- EPA's goal is to use available special account funds for response work, including laboratory analysis, whenever possible to preserve limited appropriated funds for those sites where alternative sources of funding are not available for response work.
- Funding in special accounts must be tied to each special account and site; EPA cannot obligate or expend special account funds without the site-specific special account number identified.

### **Previous Efforts to Reimburse CLP Expenditures with Funds in Special Accounts:**

- OSRTI undertook a pilot in FY 2010 with Region 1 to determine the feasibility of reimbursing expenses incurred by CLP with available special account resources.
- The CLP expenditures were reimbursed at the DCN and invoice level, using the following steps:
  1. OSRTI identified CLP expenditures by DCN, Invoice Number, Amount, etc.
  2. Region 1 reprogrammed special account funds to OSRTI to use for the reimbursement of appropriated expenditures identified.
  3. OSRTI provided the information to OARM/OAM and OCFO/RTP to replace the appropriated funds with available special account funds on the invoices identified through a contract modification.
  4. OSRTI recertified the appropriated funds made available by the contract modification for use by CLP.
- OSRTI and OAM concluded at the end of the pilot that the process of reimbursing CLP expenditures at the DCN and invoice level was too burdensome to be applied agency-wide.
- An alternative process to buy into the CLP using special account funds was developed, where regions prepared a PR to commit special account funds for lab analysis at a site, but the funds could not be obligated from the special account until the samples were entered for processing.
- The CLP's Sample Management Office (SMO) was required to do additional tracking to distinguish samples coming in for analysis that had special account funds to be used rather than appropriated funds, resulting in an increased level of effort for SMO to process all samples.
- There was also some frustration in the region that special account funds that were committed and not obligated at the end of the fiscal year had to be decommitted. This meant invoices received after the end of the fiscal year had to be paid from appropriated funds instead of from the special account as originally intended.

- Because of the uncertain timing as to when reimbursable authority would be issued in the subsequent fiscal year, regions could not predict when it would be able to issue a REQ to commit special account funds. As a result, samples processed in the 1<sup>st</sup> quarter of the fiscal year often could not be paid for using special account funds.
- As the buy-in process was implemented in FY 2012 and FY 2013, regional use of special accounts for CLP declined.

#### **Overview of CLP/ESAT Reimbursement Pilot in FY 2013:**

- The FY 2013 pilot focused on benefiting from the efficiencies of the current model of bulk funding using appropriated, non-site specific funding and OSRTI/ASB being reimbursed for those costs from available special account funds the following fiscal year (FY).
- Rather than reimbursing expenditures using the contract modification process from the FY 2010 pilot, the reimbursement was completed using an SV document entered into Compass to replace the appropriated “T” funding spent originally for the analytical services at the site with available special account funds.
- Using an SV document for the transaction provides several pros and cons.

#### **Exemption 5 - Deliberative Process**

#### **How the CLP/ESAT Reimbursement Pilot Worked in FY 2013 for Region 1:**

- The CLP/ESAT Reimbursement Pilot in FY 2013 focused only on replacing expenditures of appropriated funds from the prior budget fiscal year (BFY), in this case BFY 2012, with currently available special account funds.
- OSRTI prepared a preliminary SV document with sites where BFY 2012 appropriated funds were expended for the CLP and ESAT programs and there are open special accounts.
- To develop the universe of sites with CLP/ESAT expenditures using BFY 2012 appropriated funding, OSRTI used the following query from the CDW Budget Detail Spending query:
  - Budget FY in 2012;
  - Fund starts with “T”;
  - Organization starts with 72BS;<sup>1</sup>
  - RPIO = 75;
  - Project/job number starts with \*\*\*\*LA
- After discussion with Region 1, OSRTI further filtered the results by only looking at those sites with expenditures of \$5,000 or more.
- Using this data, OSRTI prepared the decrease lines for the SV document by crosswalking the sites identified with open special accounts. OSRTI also filled in the data for the increase lines on the SV document to the extent possible.
- Region 1 reviewed the draft SV document prepared by OSRTI and updated or verified the increase lines (i.e., special account funds) with the appropriate special account number, fund code, budget org code, cost org, project/job number and amount.
- The Region also took sites off the SV document where the special account could not be used to replace CLP/ESAT expenditures due to limitations for how the special account could be used based on the settlement or the Region had other plans for using the available special account balance.
- Region 1 provided the completed SV document to OSRTI, who reviewed the data to ensure completeness and then provided the SV document to CFC to be entered into Compass.

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<sup>1</sup> The organization code 72BS is for OSRTI’s Analytical Services Branch (ASB). Appropriated funds for both the CLP and ESAT programs are obligated using organization code 72BS.

- Through this process, approximately \$81K from 8 sites was replaced with Region 1 available special account funds.

#### **Proposed Process for CLP/ESAT Reimbursement in FY 2014:**

- OSRTI and Region 1 consider the FY 2013 pilot successful, and believe it could improve the use of special account funds for lab analysis conducted by CLP and ESAT while still allowing for the efficiencies of these programs through bulk funding non-site specific funds.
- The following is an outline of the proposed process for FY 2014 based on the experience of the FY 2013 pilot:
  1. OSRTI will request CFC to run a report in January 2014 off of the general ledger with the following criteria, which will identify all sites that went through the CLP and ESAT programs using BFY 2013 appropriated funds.
    - BFY 2013 T funds
    - Org code = 72BS
    - RPIO = 75
    - Program = 303DD2
    - Project/job number = \*\*\*\*LA
  2. OSRTI will review the data provided by CFC and filter for those sites where CLP/ESAT analysis using BFY 2013 T funds was \$5K or more.
  3. OSRTI will crosswalk those sites identified in step 2 with open special accounts.
  4. OSRTI will prepare a draft SV document for each region with the decrease lines for each site with expenditures of \$5K or more, and OSRTI will prepare as much of the increase lines as possible for the region.
  5. OSRTI will send the draft SV document to special account contacts in each region, requesting that they coordinate review of the SV document in the region to 1) identify those special accounts that can be used to reimburse the expenditure of appropriated funds, 2) ensure the accounting information for the increase lines (from the special account) is correct, and 3) confirm that reimbursable authority is available in the region for the final SV document to be processed.
  6. After the region provides the information required for the SV document, OSRTI will review to ensure its completeness and then send to CFC.
  7. CFC will enter the SV document into Compass, with a document number that will include "CLP" as the last 3 digits.
  8. The BFY 2013 T funds made available from the SV document will be available in OSRTI's allowance for use. Note that due to the change in FY 2014 for recertifying no-year funds, BFY 2013 T funds that are deobligated will not be required to be recertified, but rather will appear as available in the allowance holder.
  9. **Exemption 5 - Deliberative Process**

[REDACTED]
- OSRTI's goal is to complete the CLP/ESAT reimbursement process in FY 2014 by the end of the 2<sup>nd</sup> quarter.
- Because this process will focus on the budget fiscal year of the funds, rather than the fiscal year of the transaction, expenditures that occurred in FY 2013 using BFY 2012 or earlier funds will not be captured.
- Also, any BFY 2013 appropriated funds not expended as of the time of our data pull will not be captured. OSRTI will ask CFC to run data in January 2014 to capture any 1<sup>st</sup> quarter FY 2014 analysis using BFY 2013 appropriated funds, but any BFY 2013 funds that remain unliquidated and/or committed at that time will not be captured.

- Exemption 5 - Deliberative Process
- The sites and accounts identified would need further analysis to determine if the account has enough funds available to reimburse CLP/ESAT expenditures, and the regions would need to determine if the account can be used to reimburse CLP/ESAT expenditures or if the full balance is planned for alternative uses in the near future.